

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN RICK RIPLEY**, on January 12, 2005 at
8:00 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Rep. Rick Ripley, Chairman (R)
Sen. Ken (Kim) Hansen, Vice Chairman (D)
Sen. Gregory D. Barkus (R)
Sen. Bob Hawks (D)
Rep. Walter McNutt (R)
Rep. John L. Musgrove (D)

Members Excused: Rep. Rosalie (Rosie) Buzzas (D)

Members Absent: None.

Staff Present: Britt Nelson, Committee Secretary
Doug Schmitz, OBPP Representative
Barbara Smith, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion
are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 2, 1/11/2005
Executive Action:

HEARING ON THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

REP. MUSGROVE wanted to know if, when the members had new proposals in any of the DNRC sections, it would be a good idea to give them to the analysts so that the analyst could be up-to-date when the Committee reached that Decision Package(DP).

CHAIRMAN RIPLEY replied that the sooner the analyst received the proposals the more information the committee members would have on the topic.

Barbara Smith reviewed the newest version of the Committee's schedule, mentioning the joint committee meeting that had been scheduled for January 18th. She also mentioned the field-trip scheduled for February 11th to the Fish Wildlife and Parks Department. She provided a funds list to the members, which stated the State Special Revenue Accounts and the Federal Accounts that are used by the Department.

EXHIBIT(jnh08a01)

The next handout she discussed was an agenda from a DNRC meeting with OBPP. It indicated some of the Decision Package changes that occurred. There were four fire funding bills in draft. The only one available to be printed, LC 1952, was attached. Also included in the days handouts were; the draft language for the Grass Commission Decision Package, the Coal Bed Methane Protection Account Language, an information only memo regarding the wish list of the Reserved Water Rights Compact Commission, the Water Resources Division DP 2409, and Water Resources Division DP 2411. The last page of the handouts was an addition to the budget analysis book. This page contained the two Decision Packages which were added by the Governor; DP 111 and DP 2409.

EXHIBIT(jnh08a02)

EXHIBIT(jnh08a03)

EXHIBIT(jnh08a04)

EXHIBIT(jnh08a05)

EXHIBIT(jnh08a06)

EXHIBIT(jnh08a07)

EXHIBIT(jnh08a08)

EXHIBIT(jnh08a09)

The last sheet that Barbara Smith distributed was a list of all of the DP's. It provided a cumulative total of the type of money

the Committee would be dealing with in each DP. On the back side there was a subtotal for the Schweitzer Budget.

EXHIBIT(jnh08a10)

The next issue which Ms. Smith discussed was the RIT Funds and some of the current changes. The handout provided numbers which match the House Bills 6 and 7; the proposal is \$4,000,000 out of Reclamation and Development, HB 6 includes \$4,000,000 in emergency and private grants from the Renewable Resource Fund, and HB 7 has a transfer of funds from Reclamation and Development; in the amount of \$500,000, \$400,000 of which goes into Renewable Resources and the other \$100,000 goes into the Environmental Contingency Account. The bottom line changes to the two funds is not a significant amount. After the changes there is \$2.1 million in the ending balance for Reclamation and Development, Renewable Resources remained the same. These funds have three committees which provide \$26 million. This money goes to two universities, three or four state agencies, and a host of local governments.

There were also two flow charts which showed the flow of RIT funds. They explained what the statute is and how it is distributed. There were some potential legislative impacts to these funds. HB 69 by REP. BARRETT is asking for \$2 million from the Renewable Resources Account to go to Water Adjudication. SB 143--which would remove the sunset on the ability to transfer money between the Orphan Share and two other accounts, as well as allocate \$2 million from the Orphan Share to the Department of Environmental Quality for releases where state agencies may be reliable for cleanup-- also would impact the RIT funds. Barb pointed out that the statute and the uses, shown on Page C-123 of the budget analysis, don't match. She provided an explanation as well as a word of caution, indicating that the revenue estimates were approved by the interim committee. The estimates came out of the Legislative Fiscal Department and are considerably higher than the estimates in the Governor's office.

EXHIBIT(jnh08a11)

{Tape: 1; Side: A; Approx. Time Counter: 0 - 20.3}

Mary Sexton, Director of the Department of Natural Resources and Conservation (DNRC), presented an overview of DNRC. She provided a brief history of the Department and showed the members a picture of DNRC headquarters in Helena. The mission of the DNRC is to help ensure Montana's land and water resources provide benefits for present and future generations. She described the

various responsibilities of the Department. These included; water resources, soil, range land, State School Trust lands, fire protection, oil and gas conservation, grants and loans, and stewardship of all of the resources. DNRC has seven divisions, two of which are administratively attached; Trust Lands, Forestry, Conservation and Resource Development (CARD), Water Resources, and Centralized Services. The two that are administratively attached are the Reserved Water Rights Compact Commission and the Board of Oil and Gas Conservation Division. There are 500 employees staffing 40 offices in 28 communities.

Mary Sexton proceeded to discuss the seven different Divisions starting with the Reserved Water Rights Compact Commission. The purpose of the Commission is to negotiate on behalf of the State with Indian Tribes and Federal Agencies that claim federal reserved water rights in the state. There are nine members on the Commission; one is appointed by the Attorney Generals Office, four by the Governor, two by the Speaker of the House and two by the President of the Senate. The staff provides historical data research, research analysis, managing soils, irrigation, and hydrology. There are ten completed contracts with Tribal entities in Montana. The Commission is set to sunset in 2009 and at that time they should be completed with their work or will have to find authorization to continue.

{Tape: 1; Side: A; Approx. Time Counter: 20.3 - 32.7}

Mary Sexton then began to describe the Trust Land Management Division. There are four main sections to this Division; forest management, agriculture and grazing, minerals, and real estate management. There are 26 FTE, managing activities across 5.1 million surface acres and 6.2 million mineral acres. The mission is to produce revenues for trust beneficiaries while considering environmental factors and protecting future income generating impact on the land.

The next division **Mary Sexton** brought up was the Board of Land Commissioners. This includes the Governor's Superintendent of Public Instruction, the Auditor, Secretary of State, and Attorney General. Their goal is to direct, control, lease, exchange and sell school lands to the benefit and support of various educational institutions. The total net revenue is \$656 million. The average state share per pupil is \$700 of which \$340 comes from trust lands. There is also the Technology Acquisition Fund which has \$3 million which is distributed across Montana for technology.

{Tape: 1; Side: A; Approx. Time Counter: 32.7 - 39.7}

Mary Sexton expounded upon the four bureaus within the Trust Land Management Division. She began with the Forestry Management Bureau. This bureau's duties include: forest management, timber product sells, forest approved activities, and access programs. She then mentioned the Real Estate Management, Mineral and the Agriculture and Grazing Management Bureaus briefly.

Mary Sexton next discussed the Forestry Division which has the responsibility of protecting Montana's natural resources from wild-land fires through regulation and partnerships. Within this Division there is the Fire and Aviation Management Bureau which covers a total of 50 million acres, both state and private lands. There are a myriad of responsibilities within this Division; the national fire plan, fire suppression, forestry issues, and the Conservation Seedling Nursery.

{Tape: 1; Side: A; Approx. Time Counter: 39.7 - 47.9}

Mary Sexton progressed into the Conservation and Resource Development Division(CARD). This Division also has a number of responsibilities including managing the Conservation Districts(CD) Bureau. The CDs are a legal subdivision of the state government. Their duties are to; carry out long range programs conserving soil and water resources, provide supervision and assistance, manage urban and watershed conservation, and provide rangeland management coordination.

{Tape: 1; Side: A; Approx. Time Counter: 47.9 - 51.2}

The CDs are also responsible for grant programs, salinity control, and drought assistance. There are a number of programs that are funded in this bureau.

Mary Sexton next provided an overview of the Loan and Financial Management Bureau. Under this Bureau is the State Water Pollution Control Revolving Loan Funds. Since its conception the fund has contributed \$187 million. There is also the Drinking Water Revolving Loan Fund which has provided \$62 million across Montana.

The Resource Development Bureau was the next Bureau which **Mary Sexton** described. Within this Bureau there are a variety of programs. These encompass the Reclamation and Development Grants, Renewable Resources Grants and Loans, Regional Water Systems, CDs, water reservations, and irrigation development programs.

Ms. Sexton then presented the advisory groups attached to CARD. She talked about the Water Resources Division, the State Waters Projects Bureau, the Governor's Drought Advisory Committee, the Water Operations Bureau, and the Board of Water Right Contractors.

Mary Sexton then went into greater detail concerning the Water Rights Bureau. The responsibilities of this Bureau include the adjudication process, water rights records, new water rights appropriations, and water rights appropriation changes.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 7.9}

The next topic which **Mary Sexton** covered was the Board of Oil and Gas Conservation Division. This division is headquartered in Billings. The objective of the Division is to promote conservation, prevent waste of oil and gas reserves, to protect the correlative rights of all owners, and the prevention of harm to underground resources from oil and gas operations.

The Underground Injection Control Program was given to the State by the EPA in 1996. The objective is to protect underground sources of drinking-water from contamination as a result of the improper disposal of fuels.

The Centralized Services Division is the infrastructure of the Department. They provide legal support, fiscal support, data processing, training, oversee trust revenue collection and distribution, personnel issues, procuring contracting information services, graphic design, publications, and public information.

Mary Sexton also notified the Committee about the boards and commissions that are associated with DNRC. These included the Board of Land Commissions, Reserved Water Rights Compact Commission, Board of Oil and Gas Conservation, the Board of Water Well Contractors, the Flathead Basin Commission, the Montana Grass Conservation Commission, the Drought Advisory Committee, the Water Resource Conservation Advisory Council, and the Rangeland Resources Committee.

HEARING ON DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION:
CENTRALIZED SERVICES DIVISION

Ann Bauchman, Administrator of the Centralized Services Division, produced a handout depicting the layout of the Centralized Services Division. There are thirty-seven FTE in the Division. They provide the underlying support for all of the functions and divisions within the agency. The department is one of the most

diverse departments in Montana's government. They handle issues like oil and gas functions as well as the operating of financial institutions. This diversity causes a diverse funding structure. They receive money through General Funds, State Special Revenue, Federal Funding, proprietary tax, and a trust account among others. **Ms. Bauchman** reviewed the breakdown of employees describing each section of the department briefly and how many employees it maintained.

EXHIBIT(jnh08a12)

{Tape: 1; Side: B; Approx. Time Counter: 7.9 - 31.5}

Ann Bauchman elucidated on the two budget requests submitted under Governor Martz's budget and the one budget request that was still being processed by the new administration. The first request was for an increase of rent and janitorial services based on the contract for the DNRC headquarters in Helena. DNRC is in a non-state building. **Ms. Bauchman** submitted that rent should be considered a present law adjustment because of this fact. The request was for \$18,462 in 2006 and \$23,711 in 2007. Of these amounts 50% would come from the General Fund and 50% of the Indirect Cost which is a federal account.

The second proposal was a new phone system for the DNRC office in Billings. The office supports four divisions and is operating on such an old system that they can no longer find parts. They asked for a one-time-only amount of \$30,000, 50% General Fund and 50% State Special Revenue.

The third proposal that was still being discussed was a position for an attorney. Centralized Services lost four positions during the last session. They have been able to mitigate all of those except for one, the attorney. With so much concern over water in Montana and so many requests for new development they have been having trouble keeping up with the requests for reviews, opinions and litigation. She suggested that the position be funded 50% General Fund and 50% State Special Revenue.

{Tape: 1; Side: B; Approx. Time Counter: 31.5 - 39.9}

QUESTIONS FROM THE COMMITTEE AND THEIR RESPONSES

CHAIRMAN RIPLEY asked if any of the legal staff services were contracted out.

Ann Bauchman answered that they did not contract out for water issues. The division has a tight budget and does not have the funding to do so.

CHAIRMAN RIPLEY followed up on his first question asking if the increase in FTE's was just an anticipated increase in the work load.

Ann Bauchman replied in the affirmative. The Department feels that with the water issues and economic development it is something that they will need.

CHAIRMAN RIPLEY proceeded to inquire about the increases in the negotiated rent. He wondered if they were similar to past increases.

Ann Bauchman explained that it was slightly higher than last biennium's increase. It is 2 1/2% higher than last bienniums rent.

CHAIRMAN RIPLEY enquired if the Department could return to the owner and settle for an increase that was less than the amount they were asking for.

Ann Bauchman implied that they would not be able to accomplish that due to the fact that the contract had already been signed. They would still have to pay the rent increase through some other means.

***{Tape: 1; Side: B; Approx. Time Counter: 39.9 - 47.1; Comments:
END OF TAPE ONE. THE COMMITTEE TOOK A TEN MIN. BREAK.}***

**HEARING ON THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION:
OIL AND GAS DIVISION**

Tom Richmond is the administrator of the Oil and Gas Division and Chair for the Montana Board of Oil and Gas Conservation. The Oil and Gas Division is the staff for the board. There are three regulatory goals regarding the Coal Board: 1) prevent physical and economic waste, 2) conserve oil and gas resources, and 3) protect correlative rights. **Mr. Richmond** presented a quick history of the Division and the regulatory goals. The Board is comprised of seven members appointed by the Governor it is a quasi-judicial board which means that it has rule making authority. The seven members include three industry members, two land owners -- one who owns his minerals and one who does not, and two public members. At least one of the members must be an attorney.

Tom Richmond continued to inform the Committee about the Oil and Gas Division. The duties of the Division include issuing drilling permits, oil permits, maintain well information, production information, and performing field duties. The staff of the Board also certifies new horizontal wells, reviews operator requests, prepares recommendations, and prepares production forecasts for the Department of Revenue.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 7}

The majority of their workload consists of drilling permits. There are several different types of activities in horizontal drilling. In particular drilling in gas reservoirs and Coal Bed Methane drilling. Production increase over the last couple of years has depended on horizontal drilling. Through 2004, many of the horizontal wells were being drilled in the Elm Coulee Field. As far as vertical wells go there has been a decrease of 3 1/2% to 4% over the years. Mr. Richmond provided a historical oil production chart for Montana. Currently the number one producing oil field in Montana is the Elm Coulee which produces 4.8 million barrels of oil per year. Right now there are 25 oil rigs running in Montana, 24 of which are running on Cedar Creek in Richland County. There are at least four or five small rigs in Philips County. Mr. Richmond presented a Power Point Presentation, running through different aspects of mining in Montana.

Tom Richmond progressed into the issue of funding for the Oil and Gas Conservation Division. There are a number of different sources of funding. The Privilege and Licence Tax is a statutory tax which covers operating expenses. The maximum tax is 3/10ths of a percent. That tax was lowered and they are proposing to lower it to 18/100ths of a percent in time for the second quarter of the year. The Underground Protection Fee is a per well annual fee with a maximum of \$300/yr/well. It is currently set at \$200/yr/well. There are about 800 wells paying this fee. The rest of the UIC Program is funded by the EPA Operating Grant, an annual grant that varies in size. Because of this the Division has a Language Appropriation request to allow the Division to substitute State Special Revenue with federal funds. There are also statutory drilling permit fees, shallow wells are \$25, medium depth wells are \$75, and deep wells are \$150. Then there are miscellaneous funding sources.

{Tape: 2; Side: A; Approx. Time Counter: 7 - 23.1}

Tom Richmond recounted the activities of the Board next. The Board has been concerned with the spacing of Bakken Development wells in Elm Coulee Field. There are several operators with

split ideas of what should be done. He proceeded to describe the different thoughts on the spacing and the different approaches that have been taken. The wells have on average been producing 300 to 1200 barrels a day. The associated gas flaring problem has had to be dealt with. There have also been multiple hearings. In order to handle the work load they have made a default docket policy for uncontested requests for things such as temporary spacing and exceptions to fuel rules. This process has decreased the load for the Board greatly. The Board has carried out several enhanced recovery projects as well.

After discussing the Board Activities **Tom Richmond** went into the recent activities of the Division staff. They have been members of two national associations. They also participated in the local manifestations of the programs. They have been working on website enhancements, public access, and data enhancements. The staff also improved public hearing documentation and support projects. In addition to the association projects there are directly supported projects from the Department of Energy(DOE). He passed out a piece of Bakken to show the committee members. After that he passed out a primer on Coal Bed Methane which has less technical writing to give lay people a better understanding of the process.

EXHIBIT(jnh08a13)

{Tape: 2; Side: A; Approx. Time Counter: 23.1 - 49.3}

Tom Richmond discussed some of the current projects that the Division participated in including a new project seeking an EPA grant to develop a data access node to report data to the EPA electronically.

Tom Richmond mentioned the new proposals that were present in their budget, some of the things which the Division would like to do in the next biennium. The Division would like to revive the Montana Teacher Education Workshops which developed appropriate teaching aids and materials to instruct educators about Coal Bed Methane. The Division feels the need to move more information into the public sector. Taking material to the teachers is the best way to get information to the public. The Montana School of Technology has the only petroleum energy program left in the northern Rockies and the Coal Board would like to expand upon this.

The Division wants to devise something which would not only educate people but draw them into fields such as hydrology and engineering that are essential to drilling operations. The

Division plans on participating in the North America Prospect Expo. This Expo has about 700 participants. Most oil in Montana is provided by small companies who are also generating most of the prospects. At the Expo the Division would compete to sell Montana prospects with people presenting prospects from all over the world. The Division also wants to continue to enhance their data system and enhance public access. One of the main things they would like to see done is the addition of well logs to their public database. Well logs aren't something easily understood by everyone; however, geologists looking for information would be able to access them and get the data they require.

The last category in their budget was a request to continue coal bed natural gas(CBGN) studies and to attract some additional funding for other natural resource projects. There are a couple of projects the Division is already considering for these additional funds. One of them is a soil base line study, started by Fidelity and funded 100% for the last two years. As there are more operators, Fidelity is becoming less interested in funding the study. However, the Division feels it is important information and would like to fund it themselves over the next biennium.

The other project Mr. Richmond had in mind already had pre-committed matching funds by the DOE. The project is to extract from Coal Bed Methane GIS the metrics that were analyzed and then track current levels of activity against those metrics. He hopes to develop a template for CBNG studies.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 19.1}

QUESTIONS FROM THE COMMITTEE AND THEIR RESPONSES

CHAIRMAN RIPLEY inquired whether the project was part of one of the Decision Packages(DP) and if so which one.

Tom Richmond replied that it was part of DP 2205, Coal Bed Methane Base Line Study.

SEN. HAWKS wondered with regard to the plugging of orphan wells, what the funding source was.

Tom Richmond answered that the money came from the Resource Indemnity Tax and comes through Reclamation Development Grant Programs. In the statute the committee members would see two priority grants with the Board of Oil and Gas for \$300,000 each.

SEN. HAWKS was curious if that was a rational way of funding the plugging of orphan wells.

Tom Richmond responded that they had tried other ways which they had found irrational. They had thought to form a fund specifically for funding the plugging of orphan wells but the funding did not pass, even though the bill which held this proposal had. Now there is a Production Damage Remediation Act which receives a single biennial appropriation of \$50,000 based on some contingencies. Into that fund they deposit bond forfeitures. They also have a statutory appropriation to plug wells which constitutes their emergency plan. The rest falls into the regular grant process.

SEN HANSEN speculated that the \$125,000 was too much for the teacher workshops.

Tom Richmond felt that part of what they intended to do was a little more broad than just the workshops. One of the biggest costs would be the development of materials, getting research done, and putting the information together. Typically when working with the University systems volunteer help is paid.

CHAIRMAN RIPLEY wanted to followup on SEN. HANSEN'S question. He wanted to know if Mr. Richmond had a break-down of the \$125,000. And since it would be a cooperative effort with Montana Tech, had the school agreed to participate in any of the financial responsibilities. He also wondered if there would be a fee to the teachers who attended for credit.

Tom Richmond related that the way the old program worked was that Montana Tech provided the instructors and the teachers payed a registration fee. He wanted to expound upon the fact that the money comes from the State Special Revenue and doesn't convert. If the money, which is just an estimate, is not spent it will not be wasted.

CHAIRMAN RIPLEY surmised that the Division was just requesting the fund and did not have numbers of field-trips or students planned out.

Tom Richmond agreed with this statement saying they did have ideas but no particulars.

{Tape: 2; Side: B; Approx. Time Counter: 19.1 - 34.6}

SEN. HAWKS mentioned the study on the impounded waters of methane activity. He wondered if there was a coordination or involvement

of other state agencies or federal agencies with that study. He also wanted to know if there was data to be had from private activities.

Tom Richmond replied that the project was a Montana/Wyoming project. The reason for this was that they needed to attract the funding from the DOE. They have a number of people involved as peer reviewers on the project as well. They are also gathering information from private parties and well as from Wyoming's BLM and the are hoping to have access to some information controlled by the USGS. The main problem is weeding out information of inferior quality from all the information they have available to them.

SEN. BARKUS referenced the public data base recovery amounts, \$400,000 in oil and gas and some requests for water rights database information. He wanted to know where the data has been up to now and why they want to spend three quarters of a million dollars just to recover it.

Tom Richmond replied that their data is in a warehouse. All of the well logs are stored in the back in paper form. They are not available to anyone unless they are in Billings at the warehouse.

SEN. BARKUS followed up on that question, wanting to know who benefits: the tax payers, the drillers or the well operators.

Tom Richmond answered that most of the users are people in the oil and gas business who are developing prospects. They have a lot of use from other government agencies such as the BLM and Forest Service. The majority of the information that they propose to put in are the well logs. Therefore, most of the people interested would be technical people, not the general public. However a few number of landowners access the production database. There is also a large amount that would be utilized by industry workers.

SEN. BARKUS wondered whether the Division was spending money to get more people to drill or whether they were spending money that industries could be spending to get their own data.

{Tape: 2; Side: B; Approx. Time Counter: 34.6 - 50}

Tom Richmond explained that they do provide extensive data to industry. Because of this the Division feels like the industries would look more favorably on Montana as a place to do business. He also thought that it was a necessary thing to provide the

information to the constituency. The better information available; the better off everyone would be.

CHAIRMAN RIPLEY was curious about DP 2205. He wanted to know what the match on funds with the Department of Energy would be.

Tom Richmond answered that most of the time the DOE would consider a 30% match but if the Division could manage a 50% match they would move up in priority. The higher that the Division could match funds the more likely it would be that they would be funded.

CHAIRMAN RIPLEY was concerned with the comparison of the 2000 biennium present law adjustment requests and the 2005 because of a 35% increase in costs. He brought this up so that Mr. Richmond could respond.

Tom Richmond replied that the new proposals had been discussed with their Board. The proposals are value-added projects they could do if they received the funding. The Division brought up similar concerns with the Board and the Board decided that these projects would add value to the tax payers.

SEN. HAWKS talked about the considerable investment in public access, which is not for the general public but for individuals with special interest. He wanted to know if there was a factor of public relations.

Tom Richmond purported that they had a very functional database. It works well and holds a lot of information although it is not fancy. There is an element however, of promoting Montana. He felt it was hard to propose a value attached to the amount of PR that is present but he wanted to assert that it was definitely a factor.

Tom Richmond wanted to comment that they used an incorrect number for the base on the exempt staff salary. He suggested the members reduce personal services by \$15,700 for each year of the biennium.

Barbara Smith asked that Tom clarify.

Tom Richmond explained that they had used 2004 salaries to estimate the biennium salary increases but 2005 salaries needed to be included.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 10.4}

PROPONENTS

Gail Abercrombie, the Executive Director of the Montana Petroleum Association, wanted to urge the Committee's consideration of the Teachers Workshop. The competition is sometimes very overwhelming and often times there has to be a stipend for the teachers as well as payment for their room and board and their transportation. She wanted to mention that the staff and Board are conscious of not over spending and she feels that the Committee would be safe allocating the asked for funds.

{Tape: 3; Side: A; Approx. Time Counter: 10.4 - 13.4}

ADJOURNMENT

Adjournment: 10:20 A.M.

REP. RICK RIPLEY, Chairman

BRITT NELSON, Secretary

RR/bn

Additional Exhibits:

EXHIBIT ([jnh08aad0.PDF](#))